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## Context to the conversation

Bill speaks about the story behind the evolution of the 14 leadership principles at Amazon. He speaks about how Amazon reinforces these 14 principles in the way it hires, conducts performance appraisals and the way it brings it to life when it comes to making hard decisions.

## Transcription

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Deepak Jayaraman (DJ): Let's move to the book Bill, Working Backwards. You just started talking about the leadership principles, what struck me was in my limited experience I often come across organizations that have four, five, six leadership competencies or principles or elements and they have a hard time bringing them to life, but Amazon has 14. I was curious about how Amazon brings these 14 principles to life?

Bill Carr (BC): Well, the first thing to note is it didn't start off with 14 and so if you are listening to this podcast and you are the CEO of your company, the first thing I want to tell you is I do not recommend going from zero to 14. In most cases when we work with other CEOs to help them develop their principles, we recommend you start with 5 to 8 and you build on it from there. But setting aside what's the right number to begin with, the more important question is how do you make them come to life, because in too many cases a company may have a set of values or principles and these end up being sort of posters on the wall or PR speak. They sound good, they make for nice sound bites, they look good on your website but inside the company they don't really actually affect the way anyone makes a decision or they don't really define or help inform what makes a great leader at the company or how they view the world. So, how did Amazon get there? So, we actually started off with again, it all started off messy. We had, when I arrived in 1999, there were no leadership principles, but there was a set of sort of leadership competencies and there were actually two different lists, I cannot remember the name of each one of them was but they added up to about 25 different attributes of values and principles and that was way too long, there's no way I could remember 25 when we try to use these in performance management and performance reviews, you had to pick and choose like which ones am I going to talk about for my direct report, should I ignore these 20 and just focus on these 5, having a super long list is actually like counterproductive. What became productive was in 2004, when one of our senior HR leaders went out and was asked to do leadership training but pushed back and said well, I can't do any leadership training in this company until we define what leadership at our company means. And that was that is a very, you know, just stop and pause and think about that because I guarantee you if again, what CEO hasn't said that, okay we need better leadership training at our company without actually thinking about what does leadership at their company mean, because we all know that no two companies are alike. So, given examples of companies people know like Amazon, Google, Microsoft, these are very or Apple, each one of these companies is very different. The person who could be

successful in one of those companies may be completely unsuccessful at another one of these companies based on the way they actually manage and think. So, there's no such thing as generic leadership where you have... for your company you have to define what leadership means in your company. And so, Robin Andrulevich, the HR leader that took down this project, she went out and canvassed the different leaders in the company, asked them about what defined role model leadership of the company, what were the hallmarks of great leaders and oh by the way based on the vision for where the company was going what kind of skills and capabilities would we need. And so, we aggregated sort of where we were with where we wanted to go into these 10 principles and they were all very actionable and descriptive like if you read those descriptions, you can then actually apply them specifically in decision-making conversations or in a conversation when you are talking about someone you might hire or someone you might or think about promoting inside the company. So, that's the first thing is like you have to actually do a good job with the creation of these things to make them mean something and then what Amazon did is they started to create repeatable, scalable processes and mechanisms that would reinforce those principles. So, the easiest one to do is your hiring process. So, if you define what a role model leader looks like for your company with leadership principles, well then, the next there's two very obvious things to do with that information: one is, that is the information you should use, the criteria you should use to then decide who you should hire. And so, you could knit that and weave that into your interview process, which Amazon does. So, literally when you interview for a job at Amazon, you are going to be interviewed by six or seven people and each one of those interviewers has been assigned in advance two or three of the Amazon leadership principles and they will spend, their only job in the interview is to figure out whether this candidate meets the bar for those two or three principles or not, to document that and then the whole body of interviewers, the whole panel brings together all of their assessments so then you get an assessment to say for this candidate do they meet or not meet the bar for each of these 14 leadership principles, which then gives you a data based way of discerning whether this person would be an effective leader in your company or not. And by the way when I use the word leader, I mean, everyone is a leader, everyone who is in a salaried position whether you are an individual contributor or a senior manager. So, that's so your hiring process is one way or the other logical way to employ these leadership principles is to think about performance coaching and management. So, when you are looking at the people in your company and deciding who are the most effective people, your leadership principles should be that criterion and it should be knit into your performance review and management process to use those and to give and so managers give them as coaching and feedback. And finally, the third way is to actually bring them in when you have a hard decision. So, if your leadership principle is customer obsession that good leaders start with the customer and work backward from there, and if you are in a meeting where people are basing a decision off of a financial issue or a partner issue or anything other than a customer issue, that's the point at which good leaders in a company redirect the conversation and say hey, we are not thinking about this the right way, we need to start with the customer and work backward from there. Let's think about it in those terms and now try to make the right decision. So, that's what Amazon did and any company can do this. And we are not saying you should adopt Amazon's leadership principles because that would be foolish like Amazon is Amazon, you need to define what does role model leadership look like in your company and then start to knit it into your processes.

## Reflections from Deepak Jayaraman

DJ: The leadership principles need to be chosen in an authentic manner and it needs to cascade from the very top. I see too many organizations treating this as an HR exercise and they end up coming with a sterile list of 6-10 things that they drive in a cold manner without a connect with the leader's values and principles. It is worth asking the question, what is unique about the leaders in your

company and therefore what is distinctive and different in the leadership principles you have for your company.

## End of transcription

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- 72.00 Bill Carr - The Full Conversation
- 72.01 Bill Carr - Learnable elements from Jeff Bezos's leadership
- 72.02 Bill Carr - Bringing 14 leadership principles to life
- 72.03 Bill Carr - Raising the bar on recruitment
- 72.04 Bill Carr - Recognizing and developing good judgment
- 72.05 Bill Carr - Disagree yet commit - bringing it to life
- 72.06 Bill Carr - Written communication - a competitive advantage
- 72.07 Bill Carr - Building a culture of learning from failure
- 72.08 Bill Carr - "What" decisions versus "Who" decisions

### About Deepak Jayaraman

Deepak seeks to unlock the human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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